

HOUSE BILL REPORT

SSB 5337

As Reported by House Committee On: Transportation

Title: An act relating to financial assistance to privately owned airports available for general use of the public.

Brief Description: Authorizing the provision of financial assistance to privately owned airports available for general use of the public.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Stevens, Pflug, Honeyford, Swecker and Roach).

Brief History:

Committee Activity:

Transportation: 3/10/11, 3/22/11 [DP].

Brief Summary of Substitute Bill

- Allows privately owned airports that are available for general use by the public to be eligible for grants or loans from the Washington State Department of Transportation, Aviation Division.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 28 members: Representatives Clibborn, Chair; Billig, Vice Chair; Lias, Vice Chair; Armstrong, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Angel, Asay, Eddy, Finn, Fitzgibbon, Jinkins, Johnson, Klippert, Kristiansen, Ladenburg, McCune, Moeller, Morris, Moscoso, Overstreet, Reykdal, Rivers, Rodne, Ryu, Shea, Takko, Upthegrove and Zeiger.

Minority Report: Without recommendation. Signed by 1 member: Representative Rolfes.

Staff: Jerry Long (786-7306).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Washington State Department of Transportation, Aviation Division (WSDOT-Aviation) uses funds from the state's Aeronautics Account (Account) to operate 17 state-owned airports and to make grants or loans to municipalities, which include: counties, cities, towns, authorities, districts, or other political subdivisions or public corporations of the state and any federally recognized Indian tribes. Presently there are no tribal-owned airports. Funds can be used for the acquisition, construction, improvement, maintenance, or operation of an airport that is available for general use by the public. Presently there are 138 total public use airports: 17 are state owned and/or operated, 90 are owned by municipalities, and 31 are privately owned.

State-levied taxes and fees include:

- 10 percent of the aircraft excise tax, between \$20 and \$125 annually depending on type of aircraft (\$55,000 per biennium);
- the aircraft fuel tax, 11 cents per gallon for aircraft, but does not apply to the operation of aircraft when such use is by any air carrier or supplemental air carrier operating under a certificate of public convenience and necessity, the operation of aircraft for testing or experimental purposes or training of crews, or the operation of aircraft in the operations of a local service commuter (\$5.2 million per biennium);
- aircraft registration fees, \$15 annually (\$184,000 per biennium); and
- the aircraft dealers license fee, \$75 annually (\$8,000 per biennium).

Sources of revenue in the Account also include federal airport development grants, planning grants, and other federal sources (\$2.2 million per biennium).

The maximum amount that the WSDOT-Aviation awards in a single grant is \$250,000, with a minimum of 5 percent local match. Local matches can be in cash or in-kind volunteer labor and materials; however, the airport sponsor will be required under state law to maintain certain records documenting the number of volunteer hours provided, labor value based on prevailing wage rates, and cost or value of donated materials, etc. Normally the grants are awarded in June of each year.

Summary of Bill:

The bill allows privately owned airports that are available for general use by the public to be eligible for grants or loans from the WSDOT-Aviation. Additionally, the WSDOT is directed to establish, through rule, criteria for grants and loans administered by the WSDOT-Aviation.

The WSDOT-Aviation is authorized to act as an agent for privately owned airports as they are presently for municipalities or tribes. Privately owned airports would have to revert any assistance granted if the airport failed to collect aircraft fuel as required by state law just like municipalities and tribes.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Private airports open for public use are not allowed to submit grant proposals by law to the WSDOT-Aviation. The grants from the WSDOT-Aviation can be used for improvement and maintenance of the airports. This was a recommendation of the Washington Long-term Aviation Study. Harvey Field in Arlington is a great example of a private airport that has public use. Without the airport, it would push more demand over to the other airports in the area. This will help keep the private airports open, since most of their revenue is derived from fuel sales, hangar rent, ground space, and other services that the airport may provide.

Not all of the private airports would qualify but those that do may submit a grant proposal. These airports are a big part of Washington's airport system. The pilots' perspective is that there is a great need for these privately owned facilities and that once an airport is lost, it is very hard to ever build and start another one.

(Opposed) None.

Persons Testifying: Senator Stevens, prime sponsor; and Ryan Zulauf, Washington Airport Management Association.

Persons Signed In To Testify But Not Testifying: None.